Financial and Performance Report as at March 31, 2015

TRANSLINK

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Caution Regarding Forward-Looking Statements

From time to time, TransLink makes written and/or oral forward looking statements, which may appear in this document, and in other communications, in addition, representatives of TransLink may make forward-looking statements orally to analysts, investors, the media and others.

Forward-looking statements, by their nature, require TransLink to make assumptions and are subject to inherent risk and uncertainties. In light of the uncertainty related to the financial, economic, and regulatory environments, such risks and uncertainties, many of which are beyond TransLink's control, and the effects of which can be difficult to predict, may cause actual results to differ materially from the expectations expressed in the forward-looking statements.

1. Finance and Performance Summary

In the first quarter of 2015, TransLink continues to efficiently and effectively deliver the day-to-day transportation services relied on by our customers and the communities we serve across Metro Vancouver. Using only existing revenue sources, TransLink provides quality transit services and creates cost efficiencies without compromising the reliability and safety of the transit network.

The 2015 first quarter resulted in $21.5 million surplus, $24.6 million better than budget primarily due to the timing difference of the expenditures. The Year-end forecast is a surplus of slightly below $2 million which is the same as the 2015 Budget.

Key factors resulting in better than budget financial results include:

- Timing related ($19.4 million):
  - Major Road Network contributions to municipalities ($11.8 million).
  - Feasibility studies related to roads and bridges ($1.0 million).
  - Corporate one-time costs related to Compass and Plebiscite ($5.3 million).
  - Administration ($1.3 million) for computers, fare media, and marketing costs.

- Lower fuel and power costs ($1.3 million) due to lower market prices and consumption.

- Increase in Golden Ears Bridge toll revenue ($1.3 million) increase in crossings of unregistered vehicles.

- Other items ($2.6 million) including materials, salaries, wages and benefits and others.

TransLink's three key priorities for 2015 include; Metro Vancouver Transportation and Transit Plebiscite, Compass Card and Operations.

Highlights of first quarter 2015 are:

1. **Metro Vancouver Transportation and Transit Plebiscite** - *Support the Mayors' Council efforts to achieve a positive outcome ('Yes' vote) in the upcoming plebiscite.*

   In the first quarter of 2015, TransLink provided financial and in-kind staff support to the Referendum (Plebiscite) Secretariat. Activities include awareness building of the Transit and Transportation Plan and support for the Mayors' Council's related advocacy activities. These activities include public and stakeholder engagement, market research (such as awareness and sentiment tracking) and advertising. TransLink also focused on engaging and involving the 6,700 employees across the enterprise, facilitating open dialogue through events such as town halls, transit centre visits and crew room briefings.

2. **Compass Card** - *Continue to launch the program with a phased approach throughout 2015.*

   In the first quarter of 2015, TransLink continued to move forward with the roll out of Compass in a phased manner so that our customers can experience a smooth transition to this new product.

By the end of quarter one more than 86,000 Compass Cards were in the system with over 12 million taps since the beginning of the year. Approximately 1,500 students are using a U-Pass BC Compass card. As part of the first roll out wave, in January, TransLink hosted a 'train-the-trainer' session for four Post-Secondary Institutions ("PSI") and their Student Associations. Once U-Pass BC students began tapping their new Compass Cards, the Compass Team started regular check-in calls with the PSIs and student associations to gather feedback and support for the program. Preparation is underway for the next phases of Compass, including full rollout to the remainder of post-secondary institutions through the summer.

In March, the new Customer Service Centre located at Stadium-Chinatown Station opened. This all-inclusive walk-in customer service centre replaces the Metrotown FareDealer Administration Office. The Customer Service Centre offers sales and support for all current fare products and for the new Compass fare products as they roll-out.

Initiatives relating to the roll-out of Compass and the performance of the Compass system will contribute directly to the convenience, safety and security of our customers, as well as provide valuable transit data that can be used to improve transit planning.

3. **Operations** – *Continue to enhance the resiliency and reliability of the transportation network.*

SkyTrain: Transit operations are at the core of our mandate. In the first quarter of 2015 TransLink made it a priority to improve system resiliency to provide reliable service and sustain ridership.

TransLink and BCRTC continue to make progress on the recommendations from the SkyTrain Independent Review. Of the 20 recommendations from the Review, four are complete, seven are in progress, and the remainder are in development. In total, these recommendations equate to 59 distinct projects.

TransLink is also investing in infrastructure to minimize disruptions and improve the transit customer experience. Three capital projects underway in the first quarter had potential for significant customer impacts: SkyTrain Propulsion Power Upgrade, Main Street-Science World Station Upgrade and Metrotown Station and Exchange Upgrade. Every effort was made to reduce disruption to passengers, including coordinating contractors to limit work in public areas during peak periods, working during non-revenue hours, or taking advantage of single tracking to make progress on multiple projects.

We also focused on informing customers and residents of work that could affect them. Steps taken to limit customer impacts include letters to advise residents of noisy work; announcements through multiple social media channels and on the TransLink website; platform screens; transit alerts; signage and wayfinding; providing information to front-line staff; and promptly responding to customer inquiries.

As part of the Metrotown Station upgrade, the existing elevator is being replaced with three new elevators. The elevator was taken out of service on February 26 to allow for this work and two shuttle services were put in place to reduce the impact to customers: a HandyDART shuttle for passengers with disabilities and a community shuttle for passengers traveling with strollers or any other passenger in need of an elevator.

Evergreen integration: Planning continued for the integration of the Evergreen extension into the existing SkyTrain system. In the first quarter, the upgrade of the operational radio system was completed. The Evergreen extension will increase the size of the rail system by 11 km and 6 stations. Once completed this will be the world's largest automated train system.

In addition to support for the Mayors' Council's efforts in the plebiscite, TransLink started a public education effort in the first quarter to inform customers and other residents of the region about TransLink's role and achievements. Beginning in February, "The Facts Matter" was rolled out across the transit system, including buses, SkyTrain, West Coast Express and SeaBus. This information was also shared with employees, customers, stakeholders and the general public through the TransLink website and owned social media channels. *The Facts Matter* provides information on current initiatives, financial management and shares recent news articles, blog posts and videos from external sources commenting on TransLink.

2. Financial and Operating Summary

CONSOLIDATED REVENUES AND EXPENSES Three months ending March 31 ($ thousands)	YTD 2014 ACTUAL	YTD 2015 ACTUAL	YTD Year-over-Year CHANGE	YTD Year-over-Year %	YTD 2015 BUDGET	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	Annual 2015 BUDGET
Revenue								
Taxation	189,145	188,314	(831)	(0.4%)	188,325	(11)	(0.0%)	756,456
Transit	119,253	123,241	3,988	3.3%	124,016	(775)	(0.6%)	519,214
Transfers from Government	22,192	23,078	886	4.0%	22,857	221	1.0%	98,992
Golden Ears Bridge tolls	9,513	11,129	1,616	17.0%	9,876	1,253	12.7%	43,580
Interest Income	8,731	8,382	(349)	(4.0%)	8,431	(49)	(0.6%)	33,353
Amortization of Deferred Concessionaire Credit	5,739	5,739	0	0.0%	5,739	0	0.0%	23,337
Miscellaneous	1,111	1,449	338	30.4%	804	645	80.2%	3,489
Sub Total Continuing Operations	**355,684**	**361,332**	**5,648**	**1.6%**	**360,048**	**1,284**	**0.4%**	**1,478,421**
Emissions Testing	4,157	0	(4,157)	(100.0%)	0	-		0
Gain on Disposal	91	25	(66)	(72.5%)	0	25		9,388
Total Revenue	**359,932**	**361,357**	**1,425**	**0.4%**	**360,048**	**1,309**	**0.4%**	**1,487,809**
Expenditures								
Bus Division	157,228	157,713	485	0.3%	159,267	1,554	1.0%	653,590
Corporate operations	14,324	16,704	2,380	16.6%	18,233	1,529	8.4%	76,931
Rail Division	61,829	63,572	1,743	2.8%	64,856	1,284	2.0%	266,563
Roads & Bridges	14,163	9,728	(4,435)	(31.3%)	22,890	13,162	57.5%	87,940
Transit Police	7,548	7,949	401	5.3%	8,180	231	2.8%	33,263
Amortization of Capital Assets*	39,513	39,851	338	0.9%	39,975	124	0.3%	171,321
Interest*	44,022	41,823	(2,199)	(5.0%)	41,849	26	0.1%	166,546
Sub Total Continuing Operations	**338,627**	**337,340**	**(1,287)**	**(0.4%)**	**355,250**	**17,910**	**5.0%**	**1,456,154**
AirCare	3,970	0	(3,970)	(100.0%)	0	-		0
Corporate - onetime	1,425	2,518	1,093	76.7%	7,867	5,349	68.0%	29,672
Total Expenditures	**344,022**	**339,858**	**(4,164)**	**(1.2%)**	**363,117**	**23,259**	**6.4%**	**1,485,826**
Surplus (deficit) for the period	15,910	21,499	5,589	35.1%	(3,069)	24,568	-800.5%	1,983
Accumulated surplus, beginning of period	126,439	153,313	26,874	21.3%	169,063	(15,750)	-9.3%	169,063
Accumulated surplus, end of period	**142,349**	**174,812**	**32,463**	**22.8%**	**165,994**	**8,818**	**5.3%**	**171,046**

*shown as a separate line to help facilitate analysis of debt service costs, as GAAP statements allocate these amounts to the various segments

The excess of revenues over expenses for the three months ending March 31 was $21.5 million, $5.6 million higher than the same period in 2014, and $24.6 million higher than budget.

Revenues from continuing operations were $5.6 million (1.6 per cent) higher than the same period in 2014 and $1.3 million (0.4 per cent) higher than budget. Compared to 2014 the increase was mainly due to transit fare revenue, toll revenue, and the timing of government transfers. Compared to budget, the main increase was toll revenue.

The emissions testing program through AirCare ended December 31, 2014.

Expenses from continuing operations were $1.3 million (0.4 per cent) lower than the same period last year and $17.9 million (5.0 per cent) lower than budget. Compared to 2014, lower capital infrastructure contributions for road related projects, lower interest, fuel and power costs were partially offset by contractual labour increases, increased staffing in the Rail Division, and increased contracted services.

The budget variance was mainly due to timing differences on capital infrastructure contributions to municipalities for road related work of $11.8 million and timing differences within the Corporate Division for marketing activity and feasibility studies. The Bus Division had favourable budget savings from lower fuel rates of $1.0 million in the first quarter of 2015.

Financial Indicators

FINANCIAL INDICATORS ($ thousands)	31-Dec 2014 ACTUAL	31-Mar 2015 ACTUAL	Change	%	31-Mar 2015 BUDGET	Budget Variance Fav/ (Unfav)	%
Cumulative Funded Reserve [1]	365,208	369,885	4,677	1.3%	347,132	22,753	6.2%
Gross interest cost as a % of operating revenue	13.1%	12.8%	(0.3%)	(2.3%)	12.4%	(0.4%)	(3.0%)
Capital Assets	4,511,992	4,529,375	17,383	0.4%	4,702,097	(172,722)	(3.8%)
Direct debt [2]	(1,933,022)	(1,917,372)	(15,650)	0.8%	(2,053,232)	135,860	7.1%
Indirect P3 Debt [3]	(1,647,044)	(1,641,319)	(5,725)	0.3%	(1,642,861)	1,542	0.1%
Total Direct and Indirect P3 debt	(3,580,066)	(3,558,691)	(21,375)	0.6%	(3,696,093)	137,402	3.9%

[1] As calculated under the SCBCTA Act represents the amount of resources available to fund future operations.

[2] Includes bonds, debentures, capital leases, short-term debt net of sinking funds and debt reserve deposits

[3] Includes deferred concessionaire credits and GEB contractor liability.

In the first quarter of 2015, the cumulative funded reserve increased $4.7 million (1.3 per cent) to $369.9 million from the 2014 year-end.

The gross interest cost as a percentage of operating revenues improved to 12.8 per cent in the first quarter of 2015 on lower interest costs and higher revenues.

Tangible capital assets have increased $17.4 million primarily as a net result of $57.2 million in additions less the amortization of $39.8 million. Asset additions include: SkyTrain Fibre Optic System Upgrade, Trolley Overhead Replacements and Improvements and Community Shuttle and Police Vehicle Replacements.

Direct debt decreased by $15.6 million (0.8 per cent) in the first quarter 2015.

Indirect P3 Debt, which includes the liability owed to the Golden Ears Bridge contractor and the Canada Line deferred concessionaire credit, declined by $5.7 million in the first quarter. This decline was primarily due to the amortization of the Canada Line deferred concessionaire credit. Principal repayments for the Golden Ears Bridge contractor liability begin later in 2015.

Operating Indicators

OPERATING INDICATORS Three months ending March 31	2014	2015	Year over Year		2015	Budget Variance	
	ACTUAL	ACTUAL	Change	%	BUDGET	Fav/ (Unfav)	%
Scheduled Transit Service							
Overall Performance Rating (out of 10)	7.6	7.5	(0.1)	(1.3%)	7.6	(0.1)	(1.3%)
Service Hours	1,544,645	1,538,210	(6,435)	(0.4%)	1,554,954	(16,744)	(1.1%)
Cost Recovery Ratio [1]	52.2%	52.6%	0.4%	0.8%	50.9%	1.7%	3.3%
Operating Cost per Capacity Km [2]	$0.084	$0.084	-	-	$0.086	$0.002	2.3%
Complaints per million Boarded Passengers [3]	87.0	88.6	1.6	1.9%	90.4	1.8	2.0%
Access Transit Service							
Number of Trips	320,780	332,581	11,801	3.7%	352,152	(19,571)	(5.6%)
Number of Trips Denied	10,462	356	(10,106)	(96.6%)	450	94	20.9%
Operating Cost per Trip	$41.37	$41.28	($0.09)	(0.2%)	$40.47	($0.81)	(2.0%)
Operator complaints as a percentage of trips	0.05%	0.03%	(0.02%)	(40.0%)	0.03%	-	-
Service complaints as a percentage of trips	0.05%	0.06%	0.01%	20.0%	0.07%	-	-
Golden Ears Bridge							
Crossings (thousands)	2,643	2,901	258	9.8%	2,696	205	7.6%
Average Toll per Crossing	$3.60	$3.84	$0.24	6.7%	$3.66	$0.18	4.9%
Ridership							
Boarded passengers (thousands)	85,757	85,574	(183)	(0.2%)	87,569	(1,995)	(2.3%)
Revenue passengers (thousands)	56,780	56,622	(158)	(0.3%)	57,747	(1,125)	(1.9%)
Average fare per revenue passenger (sched transit)	$2.11	$2.19	$0.08	3.8%	$2.16	$0.03	1.4%

[1] The Cost Recovery Ratio is for scheduled transit services and excludes depreciation and interest expense. Certain prior years' ratios have been updated for consistent presentation. This ratio includes all transit related revenue including advertising while the transit fare recovery ratio presented last year only reflected fare revenue.

[2] Includes Bus, SeaBus, Expo & Millennium line, Canada Line, West Coast Express and Police operating costs.

[3] The 2014 actual boardings have been restated with the final boarding numbers and the complaints have been restated to reflect alignment in complaint definitions.

Scheduled Transit Service (Conventional)

The overall performance rating of 7.5, although slightly lower than 2014 remains essentially unchanged statistically.

Service hours were slightly lower year over year due to service adjustments made in the fall of 2014. Conventional and community shuttle service efficiencies have also lowered the actual service hours, which are offset by new service added for the Metrotown shuttle requirements due to the elevator service being unavailable. These changes were not reflected in the 2015 budget resulting in lower than budgeted hours year-to-date.

Operating cost per capacity kilometer year-to-date remains unchanged from 2014. Both capacity kilometres and operating costs rose 0.9 per cent. The costs for the first quarter were 1.5 per cent lower than budget with only a minor change in capacity kilometres resulting in a favourable variance.

Complaints per million boarded passengers increased from 87.0 in the first quarter of 2014 to 88.6 in 2015, an increase of 1.6 per cent. The number of complaints was up 1.7 per cent over 2014 while ridership declined slightly. Complaints were largely related to operator behaviour followed by early bus and operator not stopping. Complaints for the Expo and Millennium line and West Coast Express accounted for most of the increase. The complaints per million boarded passengers was 2.0 per cent

better than budget as the number of complaints was 4.2 per cent less than budget partly offset by lower than budgeted boarded passengers.

Access Transit Service

Access Transit, demand has increased 3.7 per cent from 2014 and with the increased use of taxis; almost all trip requests are now being serviced. This has significantly reduced trip denials; however, trips are not as high as budget.

Also, due to the lower average cost of a taxi trip (as compared to a trip provided on a HandyDART vehicle) the operating cost per trip has declined from the previous year. Costs were below budget, but trips were 5.6 per cent lower than budget and this outweighed the cost savings.
Both operator and service complaints are at a low level.

Golden Ears Bridge

The average fare per crossing of $3.84 increased 6.7 per cent over the same period in 2014 and was 4.9 per cent favourable to budget due to an increase in rates for inflation, and fewer discounted crossings.

Transit Ridership

Boarded and revenue passengers were slightly lower than 2014 and were approximately 2 per cent lower than budget. The budget is based on the projections in the 2014 Base Plan, which didn't anticipate that the January 2013 fare increase would have a longer effect on ridership than previous fare increases.

The average fare per revenue passenger increased 3.8 per cent over 2014 due to the mix of discounted products sold.

3. Consolidated Statement of Operations Analysis

Consolidated Revenues

CONSOLIDATED REVENUES Three months ending March 31 ($ thousands)	YTD 2014 ACTUAL	YTD 2015 ACTUAL	Year-over-Year CHANGE	Year-over-Year %	YTD 2015 BUDGET	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	Annual 2015 BUDGET
Taxation	189,145	188,314	(831)	(0.4%)	188,325	(11)	(0.0%)	756,456
Transit	119,253	123,241	3,988	3.3%	124,016	(775)	(0.6%)	519,214
Transfers from Government	22,192	23,078	886	4.0%	22,857	221	1.0%	98,992
Golden Ears Bridge tolls	9,513	11,129	1,616	17.0%	9,876	1,254	12.7%	43,580
Interest Income	8,731	8,382	(349)	(4.0%)	8,431	(49)	(0.6%)	33,353
Amortization of Deferred Concessionaire Credit	5,739	5,739	0	0.0%	5,739	0	0.0%	23,337
Miscellaneous	1,111	1,449	338	30.4%	804	645	80.2%	3,489
Revenue Before Gain/(Loss) on Disposals	355,684	361,332	5,648	1.6%	360,048	1,284	0.4%	1,478,421
Emissions Testing	4,157	-	(4,157)	(100.0%)	-	0	-	0
Gain on Disposal	91	25	(66)	(72.5%)	-	25	100.0%	9,388
Total Revenue	**359,932**	**361,357**	**1,425**	**0.4%**	**360,048**	**1,309**	**0.4%**	**1,487,809**

Overview

TransLink receives its revenue mainly through taxation, user fees and government transfers. In recent years, TransLink has implemented new non-taxation revenue sources such as wireless telco royalties and from Adjacent and Integrated Development (AID) projects. TransLink now receives financial compensation from developers who are building infrastructure adjacent to SkyTrain stations. Revenue from continuing operations in the first quarter of 2015 was $361.3 million, an increase of $5.6 million (1.6 per cent) over the same period in 2014 and $1.3 million (0.4 per cent) better than budget.

Year over year

Taxation

TAXATION REVENUES Three months ending March 31 ($ thousands)	2014 YTD ACTUAL	2015 YTD ACTUAL	YEAR OVER YEAR CHANGE	YEAR OVER YEAR %
Fuel	89,346	85,483	(3,863)	(4.3%)
Property & Replacement	80,737	83,024	2,287	2.8%
Parking Rights	14,298	14,830	532	3.7%
Hydro Levy	4,764	4,977	213	4.5%
Total Taxation	**189,145**	**188,314**	**(831)**	**(0.4%)**

Taxation revenue for the first quarter of 2015 was $831 thousand (0.4 per cent) below the same period in 2014.

Fuel tax revenues dropped $3.9 million for the first quarter of 2015. There were two significant reductions to TransLink's revenue in 2015 relating to adjustments for fuel shipments in prior years, as reported by the Consumer Tax Branch. One adjustment of $7.0 million related to 2012 which shows how volatile this revenue source is and how difficult it is to predict. Fuel suppliers have up to four years to adjust for tax credits.

The increase in Property and Replacement taxes over 2014 is directly attributable to the annual three per cent increase per TransLink's legislation.

Transit

TRANSIT REVENUES Three months ending March 31 ($ thousands)	2014 YTD ACTUAL	2015 YTD ACTUAL	YEAR OVER YEAR CHANGE	YEAR OVER YEAR %
Fares	89,479	91,069	1,590	1.8%
Programs	25,838	27,615	1,777	6.9%
Fare Revenue	115,317	118,684	3,367	2.9%
Other	3,936	4,557	621	15.8%
Total Transit	**119,253**	**123,241**	**3,988**	**3.3%**

Transit revenue increased $4.0 million (3.3 per cent) in the first quarter of 2015 compared to the same period in 2014. The increase is attributable to the mix in fare products rather than ridership as well as a rate increase for U-Pass BC program that took effect May 1, 2014. Another factor was that 2014 included a $1.0 million adjustment for a 2013 Government BC Bus Pass program correction.

Transfers from Government

Transfers from government were $886 thousand (4.0 per cent) higher than 2014. The timing of projects and applicable revenue recognition period affects the variance year-over-year and to budget.

Golden Ears Bridge Tolls

Toll revenues were $1.6 million (17.0 per cent) higher than the prior year due to a 9.8 per cent increase in volume and a 6.7 per cent increase in the average rate per crossing. There was an inflationary increase of approximately 1.5 per cent in July, 2014 in accordance with the bylaw that outlines tolling guidelines for the bridge. In addition, over 90 per cent of the crossings are cars and the average rate per crossing of cars increased 10 cents, or 3.0 per cent, over the prior year, as a result of drivers not signing up for the most discounted rate.

Interest Income

Interest income was $349 thousand (4.0 per cent) lower in the first quarter as compared to the prior year due to lower sinking fund balances associated with debt that matured.

Actual vs Budget

Taxation

TAXATION REVENUES	ACTUAL TO BUDGET				
Three months ending March 31	2015 YTD	2015 YTD	Budget Variance		2015 ANNUAL
($ thousands)	ACTUAL	BUDGET	Fav/ (Unfav)	%	BUDGET
Fuel	85,483	86,028	(545)	(0.6%)	344,111
Property & Replacement	83,024	83,024	0	0.0%	332,095
Parking Rights	14,830	14,370	460	3.1%	60,235
Hydro Levy	4,977	4,903	74	1.5%	20,015
Total Taxation	**188,314**	**188,325**	**(11)**	**(0.0%)**	**756,456**

Taxation revenue at the end of the first Quarter 2015 was in line with budget as the increases and fluctuations in the various taxation bases were mostly predicted in advance, based on legislation and available information at the time the budget was established. The fuel tax revenue however remains volatile and is subject to change.

Transit

TRANSIT REVENUES	ACTUAL TO BUDGET				
Three months ending March 31	2015 YTD	2015 YTD	Budget Variance		2015 ANNUAL
($ thousands)	ACTUAL	BUDGET	Fav/ (Unfav)	%	BUDGET
Fares	91,069	91,809	(740)	(0.8%)	395,082
Programs	27,615	28,001	(386)	(1.4%)	107,315
Fare Revenue	118,684	119,810	(1,126)	(0.9%)	502,397
Other	4,557	4,206	351	7.7%	16,817
Total Transit	**123,241**	**124,016**	**(775)**	**(0.6%)**	**519,214**

Transit revenue was $775 thousand (0.6 per cent) lower than budget in the first quarter due to fare product mix and lower ridership.

Golden Ears Bridge Tolls

Toll revenues for the first quarter of 2015 were $1.3 million (12.7 per cent) favorable to budget due to 7.6 per cent higher than expected crossings and an average rate per crossing of 4.9 per cent as a result of variation in the mix of vehicles and a higher percentage paying full price and not taking advantage of the discounted rates.

Consolidated Expenses by Segment

Year-over-Year

CONSOLIDATED EXPENSES BY SEGMENT Three months ending March 31 ($ thousands)	2014 YTD ACTUAL	2015 YTD ACTUAL	YEAR OVER YEAR CHANGE	YEAR OVER YEAR %
Bus Division	157,228	157,713	485	0.3%
Corporate operations	14,324	16,704	2,380	16.6%
Rail Division	61,829	63,572	1,743	2.8%
Roads & Bridges	14,163	9,728	(4,435)	(31.3%)
Transit Police	7,548	7,949	401	5.3%
Amortization of Capital Assets**	39,513	39,851	338	0.9%
Interest**	44,022	41,823	(2,199)	(5.0%)
Sub Total Continuing Operations	338,627	337,340	(1,287)	(0.4%)
AirCare	3,970	-	(3,970)	(100.0%)
Corporate - one time	1,425	2,518	1,093	76.7%
Total Expenses by Segment	**344,022**	**339,858**	**(4,164)**	**(1.2%)**

** shown as a separate line to help facilitate analysis of debt service costs, as GAAP statements allocate these amounts to the various segments

Bus Division operating expenditures were $0.5 million (0.3 per cent) higher year over year. Labour and other contractual and economic increases were partially offset by decreased fuel costs due to lower market prices and consumption and lower operator overtime.

Maintenance materials and services were higher in 2015, due to increased trolley overhead maintenance services, the revenue vehicle materials mix, inflation and a higher US exchange rate. Fare media costs were lower in 2015 due to timing of Compass fare media requirements.

Corporate Operations were $2.4 million (16.6 per cent) higher than the same period in 2014 primarily due to contracted services related to the roll out of the Compass system. This accounts for over half of the variance, the remainder is due to software licences and support, contractual labour increases and higher legal costs and fees primarily for Adjacent Integrated Development projects (which result in additional revenues).

Rail Division costs were $1.7 million (2.8 per cent) higher than the first quarter of 2014 mainly due to the annualized impact of the collective agreement increase, increased staffing levels, additional state of good repair costs, and increased inflation rates for Canada Line performance payments and lower performance deductions in 2015. The Rail Division has been increasing staff in response to recommendations from the independent review after the major SkyTrain disruptions in 2014.

Roads and Bridges spending was $4.4 million (31.3 per cent) lower in 2015 due to timing differences from the municipalities for completed capital infrastructure projects.

Transit Police costs were $400 thousand (5.3 per cent) higher than the first quarter 2014. Salary costs were up by $526 thousand over the same period due to changes in the new collective agreement that was ratified at end of 2014, the agreement is retroactive to 2011. This was offset by lower professional and legal fees related to indemnification of police officers and lower maintenance and material costs due to timing of expenditures.

Amortization expense increased $338 thousand (0.9 per cent) over 2014 largely due to $1.6 million in vehicle asset additions.

Interest expense was $2.2 million (5 per cent) lower than the prior year as a result of a renewal of a large portion of TransLink's debt at lower interest rates.

Actual vs Budget

CONSOLIDATED EXPENSES BY SEGMENT		ACTUAL TO BUDGET			
Three months ending March 31	2015 YTD	2015 YTD	Budget Variance		2015 ANNUAL
($ thousands)	ACTUAL	BUDGET	Fav/ (Unfav)	%	BUDGET
Bus Division	157,713	159,267	1,554	1.0%	653,590
Corporate operations	16,704	18,233	1,529	8.4%	76,931
Rail Division	63,572	64,856	1,284	2.0%	266,563
Roads & Bridges	9,728	22,890	13,162	57.5%	87,940
Transit Police	7,949	8,180	231	2.8%	33,263
Amortization of Capital Assets**	39,851	39,975	124	0.3%	171,321
Interest**	41,823	41,849	26	0.1%	166,546
Sub Total Continuing Operations	337,340	355,250	17,910	5.0%	1,456,154
AirCare	-	-	0	-	-
Corporate - onetime	2,518	7,867	5,349	68.0%	29,672
Total Expenses by Segment	**339,858**	**363,117**	**23,259**	**6.4%**	**1,485,826**

** shown as a separate line to help facilitate analysis of debt service costs, as GAAP statements allocate these amounts to the various segments

Bus Division operating expenditures were $1.6 million (1.0 per cent) favourable to budget due to lower diesel and gasoline prices, staff vacancies and miscellaneous timing differences for planned activities, partially offset by higher employer paid benefits.

Corporate Operations expenses were $1.5 million (8.4 per cent) favourable to budget due to timing of expenditures for marketing and feasibility studies, contractor payments for Compass, and credit card fees, partially offset by higher costs for Adjacent Integrated Development projects which are recoverable from the developer.

Rail Division operating costs were $1.3 million (2.0 per cent) lower than budget due to: position vacancies and underruns in benefit costs; lower hydro and fuel rates as well as lower than expected hydro consumption; timing of legal and professional fees associated with CP Rail infrastructure access and purchase of service negotiations; state of good repair timing differences; offset by lower labour cost recoveries related to capital projects and higher than expected inflationary increase in contractual Canada Line payments.

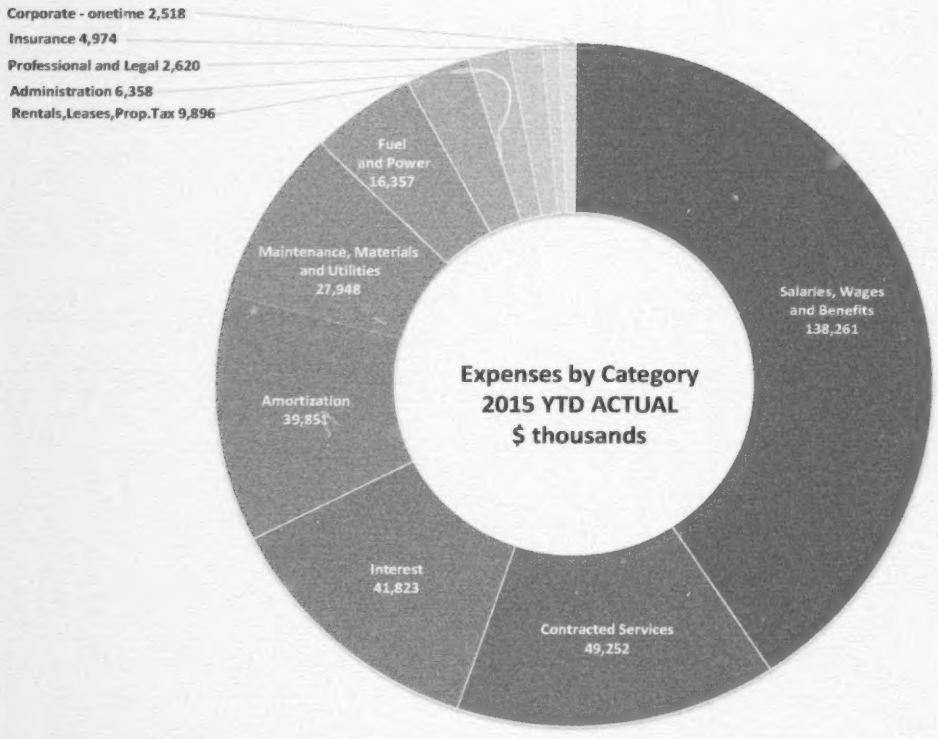
Roads & Bridges spending was $13.2 million (57.5 per cent) lower than budget for the first quarter of 2015. The majority of this amount is due to timing differences of municipal activities, but are expected to be on budget by year end. Spending on feasibility studies was also lower than budgeted.

Transit Police costs were $231 thousand (2.8 per cent) favourable to budget resulting from lower administration costs, maintenance and materials costs and professional and legal fees largely due to timing. Salary recoveries were higher offset by higher contractual salary costs.

Amortization expense was $124 thousand (0.3 per cent) favourable to budget due to timing of project completions.

Corporate one-time costs were $5.3 million (68.0 per cent) lower than budget mainly due to timing of expenses for the plebiscite and the roll out of Compass.

Consolidated Expenses by Category



In the first quarter, salaries and wages accounted for 41 per cent of TransLink's operating costs. The breakdown is as follows: $100.7 million - Bus Division; $17.9 million - Rail Division; $9.1 million - TransLink's Corporate Division and $6.8 million - Transit Police.

Contracted services accounted for 14 per cent of TransLink's operating costs. Contracted services include: $11.8 million to operate the HandyDART service; $4.9 million to operate the contracted community shuttle and the West Vancouver bus services; $3.0 million for Golden Ears Bridge; $26.2 million for Canada Line contractor payments and $2.5 million to operate the West Coast Express.

Interest and amortization expenses totalled $81.7 million, which represents 24 per cent of total.

4. Investment in Capital Assets

Summary of Capital Program ($ thousands)	Number of Projects #	Current Budget	2015 YTD Spending	Cumulative Spending to Date	Final Forecast Cost	Variance to Current Budget	(%)	Senior Government Funding (Committed)
Capital Projects								
Active Capital Projects								
Equipment	12	19,996	482	5,450	19,004	992	5.0%	-
Facilities	6	142,441	3,238	50,749	141,790	651	0.5%	84,978
Infrastructure	30	518,237	12,539	272,523	517,308	929	0.2%	256,318
Major Construction	1	402,841	19,781	181,963	402,433	408	0.1%	-
Technology Applications	9	14,141	517	7,421	14,118	23	0.2%	-
Vehicle - Non Revenue	5	2,391	254	254	2,184	207	8.7%	-
Vehicle - Revenue	9	153,500	17,610	36,733	151,399	2,101	1.4%	148,868
Subtotal Active Capital Projects	**72**	**1,253,547**	**54,422**	**555,093**	**1,248,237**	**5,310**	**0.4%**	**490,164**
Approved in Principle Projects (AIP)*								
Equipment	8	11,334			11,334			4,500
Facilities	5	5,300			5,300			40
Infrastructure	23	135,341			135,341			16,885
Major Construction	1	4,626			4,626			265
Technology Applications	21	17,361			17,361			-
Vehicle - Non Revenue	4	1,932			1,932			-
Vehicle - Revenue	4	91,630			91,630			72,144
Subtotal Approved in Principle	**66**	**267,524**			**267,524**			**93,835**
Subtotal Active and AIP Projects	**138**	**1,521,071**	**54,422**	**555,093**	**1,515,761**	**5,310**	**0.4%**	**583,999**
Substantially Complete Projects	53	815,629	6,762	797,382	804,685	10,944	1.3%	339,399
Closed Projects	8	15,154	551	13,854	13,854	1,300	8.6%	6,385
Cancelled AIP Projects	3	7,592			7,592		0.0%	-
Total Capital Projects	**202**	**2,359,446****	**61,735**	**1,366,329**	**2,341,891**	**17,555**	**0.7%**	**929,782**

*Includes submissions from current and prior year AIP programs

**The capital program envelope (excluding capital infrastructure contributions) in the 2015 budget document was $2.5B; at 2014 year end, $170M of projects were closed or cancelled; $80M of projects were added and there were budget reductions of $60M resulting in a starting capital program envelope budget of $2.35B for 2015

The table highlights the capital projects grouped into asset categories by status.

As at the end of quarter one 2015, TransLink's total capital project budget is $2.36 billion with committed senior government funding of $929.8 million for a net cost to TransLink of $1.43 billion.

A total of eight projects with an aggregate cost of $13.9 million and a current budget of $15.2 million were completed and closed in the first quarter of 2015. The following completed projects enhance the customer experience by providing continuous and safe operations:

- SkyTrain Fibre Optic System Upgrade
- Trolley Overhead Replacements and Improvements
- Community Shuttle and Police Vehicle Replacements
- Wayfinding Case-holder Replacement

Active Capital Projects

TransLink continues to improve service and maintain assets in a state of good repair to ensure the safety and reliability of the transit system. The active capital projects have $490.2 million in committed senior government funding resulting in a net cost of $763.4 million to TransLink. For the quarter ended March 31, 2015 TransLink spent a total of $54.4 million on active capital projects. These projects have a forecasted favourable variance of $5.3 million overall of which revenue vehicles comprise the largest portion of the variance (discussed under revenue vehicles below). Of the 72 active projects, significant spending focused on infrastructure improvements, major construction and revenue vehicles. The first quarter 2015 capital spending highlights by category are as follows:

Infrastructure spending totaled $12.5 million in the first quarter of 2015. Several infrastructure improvement projects are currently underway that will enhance the resiliency and reliability of the transportation network and improve customers' experience. The following summarizes the significant costs incurred in quarter one 2015:

- Commercial Broadway SkyTrain Station Upgrade Project, $4.3 million
- Compass Card and Faregate Project, $1.4 million
- Pattullo Bridge Rehabilitation Project – Phase 2, $1.4 million
- Main Street SkyTrain Station Upgrade Project, $0.9 million
- Expo Line Propulsion Power Upgrade, $2.5 million

Major Construction spending totaled $19.8 million in the first quarter of 2015 and was directly related to the Evergreen extension. This is the next major expansion of the rail network and is expected to increase ridership and accessibility to the transit system and improve customers' experience. The Province through BC Transportation Financing Authority, entered into a public-private partnership agreement to build the Evergreen extension. Once completed, TransLink will receive specific assets for its contributions to the project and will be responsible for maintaining and operating the system.

Revenue Vehicles spending totaled $17.6 million in the first quarter of 2015. Modernizing the on-road fleet helps to maintain current service levels, reduce the frequency of vehicle breakdowns, and increase efficiency in fossil fuel usage. Significant first quarter spending in fleet replacement programs was as follows:

- The 2014 Conventional Bus Replacement Program, $14.3 million
- The 2013 and 2014 HandyDART Fleet Replacement Programs , $2.7 million

The revenue vehicle favorable variance of $2.1 million as compared to budget is a result of:

- $1.3 million related to the 2014 HandyDART Replacement Program due to savings in the awarded vehicle contract
- $0.6 million related to the 100-400 Series MK1 Refurbishment project due to savings in facility leasing costs

Approved in Principle Projects

For the quarter ended March 31, 2015, there were 66 projects that had not yet been initiated with a total Approved in Principle (AiP) aggregate budget of $267.5 million. The significant projects are:

- 2016 Conventional Bus Replacement Program ($76.4 million)
- Pattullo Bridge Structural Seismic Upgrade and Deck Rehab Project ($75.0 million)
- Joyce Collingwood SkyTrain Station Upgrade ($18.7 million), and
- Metrotown Station and Exchange Upgrade Construction Phase 2 ($11.2 million).

The remaining approved in principle projects include enterprise wide investment in information technology and systems, continued fleet replacements, infrastructure upgrades, and facilities improvements.

5. Changes in Financial Position

Consolidated Statement of Financial Position ($ thousands)	March 31, 2015	December 31, 2014	Inc./(Dec)	%
Cash and cash equivalents	92,778	165,604	(72,826)	(78.5%)
Accounts Receivable	171,006	102,644	68,362	40.0%
Restricted cash and investments	371,185	361,509	9,676	2.6%
Investments	125,867	147,717	(21,850)	(17.4%)
Assets held for sale	4,868	4,868	0	0.0%
Debt reserve deposits	36,371	36,104	267	0.7%
Financial Assets	802,075	818,446	(16,371)	(2.0%)
Accounts payable and accrued liabilities	239,182	234,446	4,736	2.0%
Debt	2,038,627	2,045,356	(6,729)	-0.3%
Deferred government transfer	1,184,052	1,201,165	(17,113)	-1.4%
Golden Ears Bridge contractor liability	1,051,389	1,051,375	14	0.0%
Deferred concessionaire credit	589,930	595,669	(5,739)	-1.0%
Employee future benefits	102,683	99,875	2,808	2.7%
Deferred lease inducements	12,966	13,021	(55)	-0.4%
Liabilities	5,218,829	5,240,907	(22,078)	-0.4%
Net Debt	(4,416,754)	(4,422,461)	(5,707)	0.1%
Tangible Capital Assets	4,529,375	4,511,992	17,383	0.4%
Supplies Inventory	54,304	51,266	3,038	5.6%
Prepaid Expenses	7,887	12,516	(4,629)	-58.7%
Non-Financial Assets	4,591,566	4,575,774	15,792	0.3%
Accumulated Surplus	174,812	153,313	21,499	12.3%

Financial Assets

The primary reason for the decrease in the cash balance of $72.8 million is due to the purchase of capital assets of $57.2 million during the first quarter of 2015.

Accounts receivable increased by $68.4 milion primarily due to the accrual for property tax revenue which will be paid to TransLink in August.

Restricted cash and investments represent unspent government transfers and self-administered sinking funds.

Liabilities

Debt is discussed in the "Liquidity and Capital Resouces" section.

Deferred government transfer represents the receipt of capital funding offset by revenue recognized as the related stipulations in the various government funding agreements are met. During the first quarter of 2015, the decrease of $17.1 million was due to $18.1 million of revenue being recognized offset by $1.0 million of interest earned on the restricted funds.

Deferred concessionaire credits represent the funding provided by the Canada Line Concessionaire. This balance is amortized to income on a straight-line basis over the operating term of the concessionaire agreement, which will expire in July 2040.

The increase in employee future benefits, which represent post retirement and post employment benefits, is due to the annual estimated current service cost and related interest. The post retirement portion of this liability will draw down upon retirement of the employees.

Non-Financial Assets

Tangible capital assets have increased $17.4 million primarily as a net result of $57.2 million in additions less the amortization of $39.8 million.

Cash Flows and Liquidity

The cash and investments declined as operating and capital expenditures were made during the quarter. The following table shows TransLink's unrestricted cash and near cash equivalent investments, including money market funds.

UNRESTRICTED CASH AND NEAR CASH EQUIVALENTS ($ thousands)	March 31 2015	December 31 2014	Change
Cash and cash equivalents	92,778	165,605	(72,827)
Investments	125,867	147,717	(21,850)
Total Unrestricted cash and investments	218,645	313,322	(94,677)
Less: Long term maturities*	(5,804)	(11,538)	5,734
Total Unrestricted cash and near cash equivalents	212,841	301,784	(88,943)

*investments with maturity periods greater than 365 days

Restricted cash and investments include unspent Government Transfers which are used to fund qualifying capital expenditures.

RESTRICTED CASH AND INVESTMENTS ($ thousands)	March 31 2015	December 31 2014	Change
Unspent government transfers	286,302	285,279	1,023
Self administered sinking funds	84,883	76,230	8,653
Total Restricted cash and investments	**371,185**	**361,509**	**9,676**

Debt

TransLink's debt management policy includes self-imposed debt coverage and debt service coverage limits. TransLink continues to remain within these limits. TransLink currently has three main sources of financing for its assets: direct debt, indirect Public Private Partnership (P3) debt and deferred government transfers which are contributions from senior governments to fund eligible capital projects.

FINANCING					
($ thousands)	March 31, 2015		December 31, 2014		Change
Direct Debt	2,038,627		2,045,356		(6,729)
Less: Self-administered sinking funds	(84,884)		(76,230)		(8,654)
Less: Debt reserve deposits	(36,371)		(36,104)		(267)
Net Direct Debt	**1,917,372**	**40.4%**	**1,933,022**	**40.4%**	**(15,650)**
Golden Ears Bridge contractor liability	1,051,389		1,051,375		14
Deferred concessionaire credit (Canada Line)	589,930		595,669		(5,739)
Indirect P3 Debt	**1,641,319**	**34.6%**	**1,647,044**	**34.4%**	**(5,725)**
Subtotal Net Direct Debt and Indirect P3 Debt	**3,558,691**		**3,580,0** $		**(21,375)**
Deferred government transfers	**1,184,052**	**25.0%**	**1,201,165**	**25.1%**	**(17,113)**
Total	$ **4,742,743**	**100.0%**	$ **4,781,231**	**100.0%**	$ **(38,488)**

Financing has reduced due partly to TransLink's scheduled debt repayments and the amortization to income of both deferred concessionaire credit and deferred government transfers.

Funding Adjustments

Funding adjustments are the changes required to the income statement to calculate the cumulative funded surplus under the SCBCTA Act. The cumulative funded surplus is defined as the amount of resources available to fund future operations.

The following table presents 2015 quarter one results, including comparisons to 2014 quarter one actuals and 2015 quarter one budget, as reconciled between the results for accounting purposes and the results on a funded basis.

Funded Reconciliation of Operations As of March 31 ($ thousands)	2014 ACTUAL	2015 ACTUAL	2015 BUDGET	Budget Variance Fav/ (Unfav)	Budget Variance %
Net Surplus (Deficit) for Accounting Purposes	15,910	21,499	(3,069)	(24,568)	(800.5%)
REVENUE ITEMS					
Remove effect of AirCare	(4,157)	-	-	-	
Government transfers for capital assets	(17,286)	(18,136)	(18,134)	2	0.0%
Amortization of Deferred Concessionaire Credit	(5,739)	(5,739)	(5,739)	(0)	(0.0%)
Debt Service Cost - Interest Income	(7,554)	(7,234)	(7,264)	(30)	(0.4%)
EXPENSE ITEMS					
Capital infrastructure contributions	4,297	-	11,827	(11,827)	100.0%
Remove effect of AirCare	3,970	-	-	-	
Remove effect of TPCC	393	-	-		
Others	15	(5)	-	(5)	
Amortization expense-assets funded by long term debt or government contributions	37,940	38,074	38,044	30	(0.1%)
Debt Service Costs	(19,773)	(23,782)	(23,816)	34	0.1%
Net Surplus (Deficit) for Funding Purposes	8,016	4,677	(8,151)	(12,828)	(157.4%)
Cumulative Surplus Opening Balance	**342,700**	**365,208**	**365,208**		
Cumulative Surplus Ending Balance	**350,716**	**369,885**	**357,057**	**(12,828)**	**(3.5%)**

The net surplus (deficit) for funding purposes reports the results after funding adjustments. Funding adjustments remove assets, and the corresponding revenue and expenditures, funded by senior government or other parties outside of TransLink from TransLink's consolidated financial statements.

Funding adjustments reflected in the first quarter 2015 include:

- Removal of senior government contributions for capital assets and the amortization associated with those assets.
- Inclusion of the interest expense and principal repayments for the Golden Ears Bridge, in accordance with the Public Private Partnership agreement with the contractor.
- Removal of capital funding to municipalities, a flow through amount related to assets of which TransLink does not have ownership.

The following statements are presented in accordance with generally accepted Canadian accounting principles for local governments, as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada.

Consolidated Statement of Financial Position

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Consolidated Statement of Financial Position
(in thousands of dollars)

March 31, 2015, with comparative information for December 31, 2014

	March 31 2015	December 31 2014
FINANCIAL ASSETS		
Cash and cash equivalents	$ 92,778	$ 165,604
Accounts receivable	171,006	102,644
Restricted cash and investments	371,185	361,509
Investments	125,867	147,717
Assets held for sale	4,868	4,868
Debt reserve deposits	36,371	36,104
	802,075	818,446
LIABILITIES		
Accounts payable and accrued liabilities	239,182	234,446
Debt	2,038,627	2,045,356
Deferred government transfer	1,184,052	1,201,165
Golden Ears Bridge contractor liability	1,051,389	1,051,375
Deferred concessionaire credit	589,930	595,669
Employee future benefits	102,683	99,875
Deferred lease inducements	12,966	13,021
	5,218,829	5,240,907
NET DEBT	(4,416,754)	(4,422,461)
NON-FINANCIAL ASSETS		
Tangible capital assets	$ 4,529,375	$ 4,511,992
Supplies inventory	54,304	51,266
Prepaid expenses	7,887	12,516
	4,591,566	4,575,774
Accumulated Surplus	$ 174,812	$ 153,313

Consolidated Statement of Operations

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Consolidated Statement of Operations
(in thousands of dollars)

Three months ended March 31, 2015, with comparative information for March 31, 2014

	2015 Budget	2015 Actual	2014 Actual
Revenue:			
Taxation	$ 188,325	$ 188,314	$ 189,145
Transit	124,016	123,241	119,253
Golden Ears Bridge tollings	9,876	11,129	9,513
Emissions testing	-	-	4,157
Government transfers	22,857	23,078	22,192
Amortization of deferred concessionaire credit	5,739	5,739	5,739
Interest income	8,431	8,382	8,731
Miscellaneous revenue	804	1,449	1,111
Gain on disposal of tangible capital assets	-	25	91
	360,048	361,357	359,932
Expenses:			
AirCare	-	-	3,970
Bus division	190,861	188,852	190,152
Corporate	30,165	22,821	18,764
Rail division	86,498	86,026	84,656
Roads & Bridges	47,407	34,203	38,926
Transit Police	8,186	7,956	7,554
	363,117	339,858	344,022
Surplus (deficit) for the period	(3,069)	21,499	15,910
Accumulated surplus, beginning of period	169,063	153,313	126,439
Accumulated surplus, end of period	$ 165,994	$ 174,812	$ 142,349

Consolidated Statement of Changes in Net Debt

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Consolidated Statement of Changes in Net Debt
(in thousands of dollars)

Three months ended March 31, 2015, with comparative information for March 31, 2014

	2015 Actual	2014 Actual
Surplus for the period	$ 21,499	$ 15,910
Acquisition of tangible capital assets	(57,234)	(38,171)
Amortization of tangible capital assets	39,851	39,513
Gain on disposal of tangible capital assets	(25)	(91)
Net proceeds from disposal of capital assets	25	117
	(17,383)	1,368
Change in supplies inventory	(3,038)	(407)
Change in prepaid expenses	4,629	(1,976)
	1,591	(2,383)
Decrease in net debt	5,707	14,895
Net debt, beginning of period	(4,422,461)	(4,380,934)
Net debt, end of period	$ (4,416,754)	$ (4,366,039)

Consolidated Statement of Cash Flows

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Consolidated Statement of Cash Flows
(in thousands of dollars)

Three months ended March 31, 2015, with comparative information for March 31, 2014

		2015	2014
Cash provided by (used for):			
Operating Transactions:			
Surplus for the period	$	21,499	$ 15,910
Non-cash charges to operations		16,120	19,587
Changes in non-cash operating working capital		(59,227)	(74,747)
Net change in cash from operating transactions		(21,608)	(39,250)
Capital Transactions:			
Purchase of capital assets		(57,234)	(38,171)
Net proceeds from disposal of capital assets		25	117
Net change in cash from capital transactions		(57,209)	(38,054)
Investing Transactions:			
(Increase) decrease in restricted cash and investments		(9,676)	5,637
Decrease (increase) in investments		21,850	(19,462)
Increase in debt reserve deposits		(267)	(294)
Net change in cash from investing transactions		11,907	(14,119)
Financing Transactions:			
Debt proceeds		57	528
Issue costs on financing		(13)	(6)
Repayments of debt		(7,051)	(7,737)
Government transfers received for capital additions		1,023	21,731
Lease inducements received		68	481
Net change in cash from financing transactions		(5,916)	14,997
Decrease in cash		(72,826)	(76,426)
Cash, beginning of period		165,604	247,758
Cash, end of period	$	92,778	$171,332
Supplementary information:			
Interest paid	$	21,938	$ 18,929

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY
Consolidated Statement of Cash Flows (continued)
(in thousands of dollars)

Three months ended March 31, 2015, with comparative information for March 31, 2014

		2015	2014
Non-cash charges to operations:			
Amortization of capital assets	$	39,851	$ 39,513
Amortization of bond discount		212	219
Amortization of debt issue cost		66	82
Amortization of deferred concessionaire credit		(5,739)	(5,739)
Amortization of deferred government transfers		(18,136)	(17,287)
Amortization of deferred lease inducements		(123)	(142)
Interest accretion (net of payments) on contractor liability		14	3,032
Gain on disposal of tangible capital assets		(25)	(91)
	$	16,120	$ 19,587
Changes in non-cash operating working capital:			
Increase in accounts receivable	$	(68,362)	$ (91,182)
Increase in supplies inventory		(3,038)	(407)
Decrease (increase) in prepaid expenses		4,629	(1,976)
Increase in accounts payable and accrued liabilities		4,736	16,415
Employee future benefit payable		2,808	2,403
	$	(59,227)	$ (74,747)

SOUTH COAST BRITISH COLUMBIA TRANSPORTATION AUTHORITY

Segment Report

Three months ended March 31, 2015

(in thousands of dollars)

	AirCare	Bus division	Corporate	Rail division	Road & Bridge	Transit Police	2015	2014
Revenues								
Taxation	$ -	$ -	$ 188,314	$ -	$ -	$ -	$ 188,314	$ 189,145
Transit	-	-	123,241	-	-	-	123,241	119,253
Golden Ears Bridge tollings	-	-	-	-	11,129	-	11,129	9,513
Emissions testing	-	-	-	-	-	-	-	4,157
Government transfers	-	-	23,013	-	65	-	23,078	22,192
Amortization of deferred concessionaire credit	-	-	-	5,739	-	-	5,739	5,739
Interest income	-	-	8,382	-	-	-	8,382	8,731
Miscellaneous revenue	-	768	475	125	-	81	1,449	1,111
Gain (loss) on disposal of tangible capital assets	-	25	-	-	-	-	25	91
	-	793	343,425	5,864	11,194	81	361,357	359,932
Expenses								
Administration	-	2,790	4,212	619	6	478	8,105	8,068
Capital infrastructure contributions	-	-	-	-	-	-	-	4,297
Contracted services	-	16,684	1,085	28,679	2,804	-	49,252	50,672
Fuel and power	-	13,228	-	3,129	-	-	16,357	17,753
Insurance	-	3,531	80	1,072	280	11	4,974	5,162
Maintenance, materials and utilities	-	13,780	208	7,645	6,171	144	27,948	27,221
Professional & legal	-	581	2,311	318	132	38	3,380	2,344
Rentals, leases and property tax	-	3,072	2,215	4,092	47	470	9,896	10,719
Salaries, wages and benefits	-	104,047	9,111	18,018	288	6,808	138,272	134,251
Write-down of tangible capital assets	-	-	-	-	-	-	-	-
Expenses before amortization and interest	-	157,713	19,222	63,572	9,728	7,949	258,184	260,487
Amortization of capital assets	-	19,138	2,212	13,799	4,697	5	39,851	39,513
Interest	-	12,001	1,387	8,655	19,778	2	41,823	44,022
Amortization and interest	-	31,139	3,599	22,454	24,475	7	81,674	83,535
Total Expenses	-	188,852	22,821	86,026	34,203	7,956	339,858	344,022
Surplus (deficit) for the period	$ -	$(188,059)	$ 320,604	$ (80,162)	$ (23,009)	$ (7,875)	$ 21,499	$ 15,910

Appendix II – Allocated Costs between Divisions

Allocated Cost Breakdown ($ thousands)	YTD 2014 ACTUAL	YTD 2015 ACTUAL	YTD Year-over-Year Change	YTD Year-over-Year %	YTD 2015 BUDGET	YTD Budget Variance Fav/ (Unfav)	YTD Budget Variance %	2015 BUDGET
Shared Services [1]								
Bus Division	5,575	5,533	(43)	(0.8%)	5,951	418	7.0%	24,213
Access Transit	-	215	215	-	251	36	14.4%	1,005
SkyTrain - Expo & Millenium Line	198	193	(5)	(2.6%)	207	14	6.8%	832
SkyTrain - Canada Line	-	-	-	-	-	-	-	-
West Coast Express	13	17	4	31.3%	19	2	12.6%	76
Transit Police	349	388	39	11.2%	517	130	25.1%	2,068
Roads & Bridges	625	347	(277)	(44.4%)	1,467	1,119	76.3%	4,478
Corporate	(6,760)	(6,692)	67	1.0%	(8,412)	(1,720)	20.4%	(32,673)
Total Shared Services allocated	-	-	-	-	-	-	-	-
Costs Administered by TransLink and allocated to subsidiaries [2]								
Bus Division	4,459	3,751	(707)	(15.9%)	4,191	440	10.5%	16,979
Access Transit	-	-	-	-	-	-	-	-
SkyTrain - Expo & Millenium Line	1,136	924	(211)	(18.6%)	1,108	184	16.6%	4,432
SkyTrain - Canada Line	629	515	(115)	(18.2%)	559	44	7.9%	2,234
West Coast Express	3,549	3,808	259	7.3%	3,831	24	0.6%	15,903
Transit Police	438	441	4	0.8%	397	(44)	(11.2%)	1,587
Costs Administered by TransLink allocated	10,211	9,439	(771)	(7.6%)	10,086	647	6.4%	41,135
Bus Division	42,959	40,423	(2,535)	(5.9%)	41,736	1,313	3.1%	171,196
Access Transit	-	215	215	-	251	36	14.4%	1,005
SkyTrain - Expo & Millenium Line	24,090	23,571	(518)	(2.2%)	22,886	(686)	(3.0%)	96,922
SkyTrain - Canada Line	629	515	(115)	(18.2%)	559	44	7.9%	2,234
West Coast Express	3,562	3,825	263	7.4%	3,851	26	0.7%	15,980
Transit Police	793	837	44	5.6%	920	84	9.1%	3,680
Total costs allocated to Subsidiaries from TransLink	**72,032**	**69,386**	**(2,646)**	**(3.7%)**	**70,203**	**817**	**1.2%**	**291,016**

[1] Includes Business Technology & Human Resources costs.

[2] Includes property tax, building leases, insurance, and fare media costs.

[*] Negatives represent allocations out, positive represent allocations in.

Note: human resources costs are allocated based on headcounts, while Business Technology costs are allocated based on operating usage.

Appendix III – KPI's

OPERATING INDICATORS Three months ending March 31	2014 ACTUAL	2015 ACTUAL	2015 BUDGET	Budget Variance Fav/ (Unfav)	%
Service Performance Item					
Safety: Customer Injuries (per 1 million boarded passengers)					
- CMBC	3.1	3.6	--		
- Expo & Millennium Lines	2.2	1.2	1.1	(0.1)	(8.9%)
- Canada Line	0.6	0.0	0.0	0.0	
- West Coast Express	0.0	0.0	0.3	0.3	100.0%
- HandyDART	11.2	0.0	8.7	8.7	100.0%
Safety: Employee Lost Time Frequency					
- CMBC (per 200,000 hours worked)**	7.8	7.1	7.5	0.4	5.6%
- Expo & Millennium Lines (per 200,000 hours worked)	5.4	3.4	3.2	(0.2)	(6.2%)
- West Coast Express (per 200,000 hours worked)	0.0	0.0	0.0	0.0	
- HandyDART (per 200,000 hours worked)	16.3	14.6	--		
Safety: CMBC Operator Assaults (per 1 million service hours)	29.6	24.0	25.0	1.0	4.0%
Ridership: Boarded Passengers					
- CMBC	56,737	56,749	57,715	(966.0)	(1.7%)
- Expo & Millennium Lines	18,303	18,118	18,877	(759.0)	(4.0%)
- Canada Line	9,674	9,702	9,877	(175.0)	(1.8%)
- West Coast Express	685	675	754	(79.0)	(10.5%)
- HandyDART	358	330	346	(16.0)	(4.6%)
Ridership: Revenue Passengers					
- Overall System***	56,780	56,622	57,747	(1,125.0)	(1.9%)
Vehicle Service Delivery: Percentage of Service Hours Delivered					
- CMBC	99.6%	99.7%	99.5%	0.2%	0.2%
- Expo & Millennium Lines	99.3%	99.7%	99.8%	-0.1%	(0.1%)
- Canada Line	100.0%	100.0%	100.0%	0.0%	0.0%
- West Coast Express	99.9%	99.0%	99.9%	-0.9%	(0.9%)
- HandyDART (% of requested trips delivered)	95.6%	99.6%	99.5%	0.1%	0.1%
Vehicle Punctuality: On-Time Performance					
- CMBC (< 2 Minutes Late)*	82.3%	85.3%	84.0%	1 3%	1.5%
- Expo & Millennium Lines (headway + 3 minutes)	92.3%	96.4%	95.3%	1.1%	1.2%
- West Coast Express (headway + 5 minutes)	98.6%	93.0%	97.8%	-4.8%	(4.9%)
- HandyDART (within 15 minutes of Scheduled Pick-Up Time)	91.3%	91.5%	90.0%	1.5%	1.6%
Vehicle Reliability: Mean Distance Between Failure					
- CMBC	26,227	25,305	23,671	1,634	6.9%
- Expo & Millennium Lines	407,918	487,344	426,146	61,197	14.4%
- West Coast Express	341,267	169,109	227,579	(58,470)	(25.7%)
HandyDART Vehicle Productivity					
- Trips per service hour (excludes taxis)	2.0	2.0	2.1	(0.1)	(4.0%)
- Trip Denials	10,462	356	450	94.0	20.9%
Environmental					
- CMBC (Spills per 1 Million Km)	9.2	9.5	9.1	(0.4)	(4.4%)
- CMBC (Revenue Vehicle Energy Consumption)	1,763,906	1,769,954	1,754,795	(15,158.8)	(0.9%)
Customer Service: Customer Satisfaction (overall score of 10)*					
- Overall System**	7.6	7.5	7.6	(0.1)	(1.3%)
- CMBC	7.8	7.7	7.7	0.0	0.0%
- Expo & Millennium Lines	8.1	8.0	8.3	(0.3)	0.0%
- Canada Line	8.7	8.5	8.3	0.2	0.0%
- West Coast Express	8.5	8.1	8.5	(0.4)	(4.7%)
- HandyDART	8.2	NA '	--		
Customer Service: Customer Complaints					
- Overall System** (per 1 million boarded passengers)	87.0	88.6	90.4	1.8	2.0%
- CMBC (per 1 million boarded passengers)	105.4	105.0	115.5	10.5	9.1%
- Expo & Millennium Lines (per 1 million boarded passengers)	22.9	33.0	31.7	(1.3)	(4.2%)
- Canada Line (per 1 million boarded passengers)	7.2	7.6	10.2	2.6	25.5%
- West Coast Express (per 1 million boarded passengers)	343.3	472.7	180.4	(292.3)	(162.0%)
- HandyDART (operator complaints as a % of trips)	0.05%	0.03%	0.03%	0.0	0.0%
- HandyDART (service complaints as a % of trips)	0.05%	0.06%	0.07%	0.0	14.3%
Financial: Operating Costs					
- Overall System** (operating cost per capacity km)	0.090	0.091	0.095	0.0	4.2%
- CMBC (operating cost per capacity km)	0.122	0.120	0.121	0.0	0.8%
- Expo & Millennium Lines (operating cost per capacity km)	0.026	0.026	0.028	0.0	7.1%
- Canada Line (operating cost per capacity km)	0.101	0.104	0.103	(0.0)	(1.0%)
- West Coast Express (operating cost per capacity km)	0.167	0.165	0.171	0.0	3.5%
- HandyDART (operating cost per trip)	41.37	41.28	40.47	(0.8)	(2.0%)
Financial: Operating Cost Recovery					
- TransLink (conventional system)	52.2%	52.6%	50.9%	1.7%	3.3%

**Data for Q4-2014*

***Excludes HandyDART.*

****Excludes HandyDART.*

' Only reported once per year, in the fall